



## MEMORANDUM IN SUPPORT

### S.4221 (Stavisky)/A.1938 (Peoples-Stokes)

**AN ACT** to amend the business corporation law, the partnership law and the limited liability company law, in relation to certified public accountants

The Capital Region Chamber, representing 2,900 businesses and organizations from throughout the Capital Region that employ more than 160,000 area residents, strongly supports S.4221/A.1938, which would allow non-CPAs to be minority owners of CPA firms.

Currently, a total of 49 other states and jurisdictions allow accounting firms to offer ownership to non-CPAs. Expanding opportunities for professional accounting firm ownership creates jobs and strengthens the economy. More than 53,000 CPAs are registered in the State of New York, anchoring a national accounting services industry that generates \$94 billion in annual revenue. Unfortunately, the state's outmoded regulation is hurting this vital sector of the New York economy and stifling job growth.

New York is the last state in the region that does not allow accounting firms to offer ownership to non-CPAs. This puts New York's accounting firms at a disadvantage when it comes to recruiting and retaining top talent. Unlike Connecticut, New Jersey and other states in the region, the best and brightest IT people, policy experts, and data analysts reach a professional ceiling here. This legislation will put New York on a level playing field so talented individuals in New York have the same opportunities they would in neighboring states.

If expanded professional ownership is enacted pursuant to this legislation, New York could benefit from a potential stable of at least 145 new accounting firm partners across the state in the coming year alone. This equates to \$66 million in total income generated; nearly \$6.5 million of which would go back to the state in taxable income.

For these stated reasons, the Capital Region Chamber recommends the passage of this legislation.

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